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ABSTRACT

A telephone poll examined the current and future role of proprietary schools in providing vocational education. A representative national cross-section of over 1,000 adults was surveyed regarding the value of specialized education, factors affecting selection of a training program, and intentions of possibly changing careers. Data collected from earlier studies and from the telephone poll were coordinated to compile a summary of current thoughts and facts about proprietary vocational education. Changes in the workplace in America during the next 5 years indicate an increasingly important role for proprietary vocational schools. Already 81 percent of the population believes that additional education will be required to meet the demands for new occupational skills. Enrollment in proprietary schools has grown by more than 20 percent in each of the last 2 years. While cost will continue to be a major factor in choosing a school, school reputation, diversity of curricula, and availability of services including employment assistance will also be decisive factors. Because proprietary schools are generally very sensitive to labor market needs and because they use their available resources effectively, it appears that they will continue to serve as a source of quality job training. (MN)

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AMERICA AT WORK:

THE EVOLVING ROLE OF PROPRIETARY VOCATIONAL EDUCATION

A REPORT FROM

ITT EDUCATIONAL SERVICES, INC.

CE 034 772

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I. INTRODUCTION

Proprietary schools offer many types of training, from barber and beauty schools to high-technology education in computers and electronics. But whatever the course of instruction, they all share a common trait -- preparing students for a job.

Vocational enrollment rose 20 percent last year to more than 1.5 million, and future growth can be expected. The Bureau of Labor Statistics predicts that 80 percent of new jobs through 1985 will require specialized training, but only 20 percent will require college. Through the end of the decade, the bureau predicts the labor force is expected to be between 122 million and 128 million, up from 105 million in 1980.

The specialized training provided by proprietary vocational schools can prepare many of today's youth for productive careers. These institutions can help them attain skills for lifelong learning, and retrain other workers in our changing workplace.

Proprietary vocational schools fill a gap in the American educational process. They provide practical, "hands-on" training that might not be available in high school, and is not generally found at two-year and four-year colleges. Despite this, they have been considered out of the mainstream of traditional education by some people because they are operated "for profit."

This report is a summary of current thought and facts about proprietary vocational education. It also provides some new insights through primary research commissioned by ITT Educational Services, Inc.

The primary research was conducted by Research & Forecasts, Inc., a national research firm based in New York. A representative national cross-section of more than 1,000 adults was polled by telephone to determine their opinions about the value of specialized education, changes in the workplace that might require additional training, factors affecting selection of a training program, and their intentions for possibly changing careers.

ITT Educational Services, Inc., (ITTES) a division of International Telephone and Telegraph Corporation (ITT), provides a variety of professional and technical educational programs to individuals, for government agencies and to the business community designed for effective development and management of human resources.

With more than 40 facilities in the United States and almost 50 individual curricula, ITTES is a leader in the professional/technical education field.

ITTES markets its specialized programming through three operating divisions. The Resident Division provides skill education to individuals seeking entry level business and technical opportunities. The Business Division offers programming designed to develop employee skills and increase on-the-job productivity and effectiveness. The Employment and Training Systems Division (ETS) develops and implements specialized educational programs as required by government contract.

II. THE CURRENT MARKET

Interest in career education has increased dramatically in the last few years. Spurred by a tighter job market and cutbacks in employer training programs, enrollment in private trade and technical schools has grown between 20 and 25 percent in each of the last two years. Current enrollment is estimated at 1.5 million students.

These students are served by some 5,000 proprietary institutions. There is no consensus on the exact number of schools, nor any single organization that compiles figures. The National Association of Trade and Technical Schools (NATTS) and The Association of Independent Colleges and Schools (AICS) accredit some 40 percent of these institutions, which are believed to educate the majority of students enrolled in proprietary training. However, accreditation is a voluntary process. Some schools do not seek accreditation, but this does not necessarily diminish the quality of the education they provide. However, it can affect the funding opportunities available to students.

Proprietary vocational schools have been part of our country's educational heritage since the early 1700s. An advertisement in the March 20, 1728 edition of the Boston Gazette offered a home study course for a form of shorthand. Other developments in the history of vocational education are discussed in Appendix A.

School Owners

Many vocational schools follow the heritage of their colonial predecessors, with one school owner offering instruction in a single specialty. However, large corporations also manage schools. Among the corporations with proprietary education divisions or subsidiaries are Bell & Howell Corp., Control Data Corp., International Telephone and Telegraph Corporation (ITT), McGraw-Hill Corp., National Education Corporation, and Radio Corporation of America (RCA).

Courses offered by proprietary schools can range from 3 to 150 weeks in length. The average course is about 1,000 hours, or 40 weeks. A list of NATTS- and AICS-accredited courses and their length is included in Appendix B.

Proprietary schools average fewer than 300 students. Class sizes permit personalized attention by instructors. Classes are marked by a no-nonsense approach emphasizing attendance, punctuality and work habits to quickly teach students the skills needed to get a specific job. Almost half the student's day, 41 percent, is spent in a worklike setting, according to a study by Dr. A. Harvey Belitsky, author of Proprietary Vocational Schools and Their Students. This enables students to condition themselves to workplace discipline, learning that their work day actions must be geared to employer needs rather than to their own personal habits or preferences.

Employer Cooperation

School owners work closely with potential employers to learn what constitutes entry level skills for a given position. Close cooperation is essential if schools are to meet students' expectations for placement after graduation.

According to figures compiled by Tom Herbert and John Coyne, authors of Getting Skilled, the majority of students complete the courses they start. For courses 1-6 months long, 70-90 percent finish; courses 6-12 months long, 65-75 percent finish; and courses 12-24 months long, 50-70 percent finish.

A 1978 study by the National Center For Education Statistics compared the number of public and private students in post-secondary vocational education programs who graduate (completers) or leave with sufficient skills to obtain a job (leavers). Close to 70 percent of the private school students were completers or leavers, as compared to only 55 percent of public school students, or approximately a 27 percent increase through private vocational schools. Specific breakdowns of the figures show that 63 percent of the private students completed their programs and 6.9 percent left with sufficient job skills. For public post-secondary vocational programs, 45.6 percent of the students completed training, and 9.1 percent left with sufficient job skills before graduation.

Several circumstances may apply to students who leave training programs before graduation. Some students leave vocational training programs of their own accord after they have mastered certain skills. This may be especially true in comprehensive courses, such as automotive mechanics for example. A student might leave after he has mastered transmission repair, but before he has finished course sections covering other parts of the engine and chassis. Also, since some public school occupational programs allow students to earn academic credits, some of the "dropouts" may in fact be transfers into degree-granting programs.

References from satisfied students are one of the prime recruiting tools of the schools. Therefore, most institutions make every effort to adequately prepare students and help them in their job search. Preparation for the job begins in the classroom, where instructors stress punctual attendance, clean work areas, and attitudes necessary for success in the workplace.

Sending skilled workers into the marketplace quickly is enhanced by schools starting classes every few weeks. This helps individuals effectively control their educational expenses since potential wages are not lost through long waits for classes to start or unnecessarily long courses. Frequent class starts also enable the proprietary schools to adjust to changes in job demand.

Occupational Growth

Among the 20 occupations predicted by the Labor Department to show the most growth in this decade, 14 do not require college training. Specialized education in the majority of those fields can be obtained at proprietary schools, as shown by asterisks on the following list:

- o Data processing machine mechanics*
- o Paralegal personnel*
- o Computer systems analysts
- o Computer operators*
- o Office machine and cash register servicers*
- o Computer programmers*
- o Aero-astronautic engineers
- o Fast food preparation and service workers*
- o Employment interviewers
- o Tax preparers
- o Correction officials and jailers
- o Architects
- o Dental hygienists*
- o Physical therapists
- o Dental assistants*
- o Peripheral data processing operators*

- o Childcare attendants
- o Veterinarians
- o Travel agents, accommodation appraisers*
- o Nurses aides, orderlies*

Training needs for the 1990's and beyond are discussed in a separate chapter.

III. KEY ISSUES IN VOCATIONAL EDUCATION

As unemployment reaches post-depression-era highs, many persons in America are questioning their career choices, role in the workforce and future prospects. According to a recent poll conducted by Research & Forecasts[1], 81 percent of the population say changes in the workplace will require additional career education, (see Table I).

Economic conditions have caused entire industries to re-evaluate how many employees they will need, even when economic conditions improve.

Manufacturing's share of non-farm jobs has already declined to 21.4 percent in 1982 from 33.7 percent in 1950, according to Fortune[2]. Leading the manufacturing decline is the auto industry and its suppliers in such industries as steel, glass, rubber, plastics, machine tools and spare parts.

Many of these people have shifted from manufacturing to services, from mass production to high technology. Already, according to an article in the June 14, 1982 issue of Fortune, white collar jobs outnumber blue collar positions by a 5-to-3 margin.[3]

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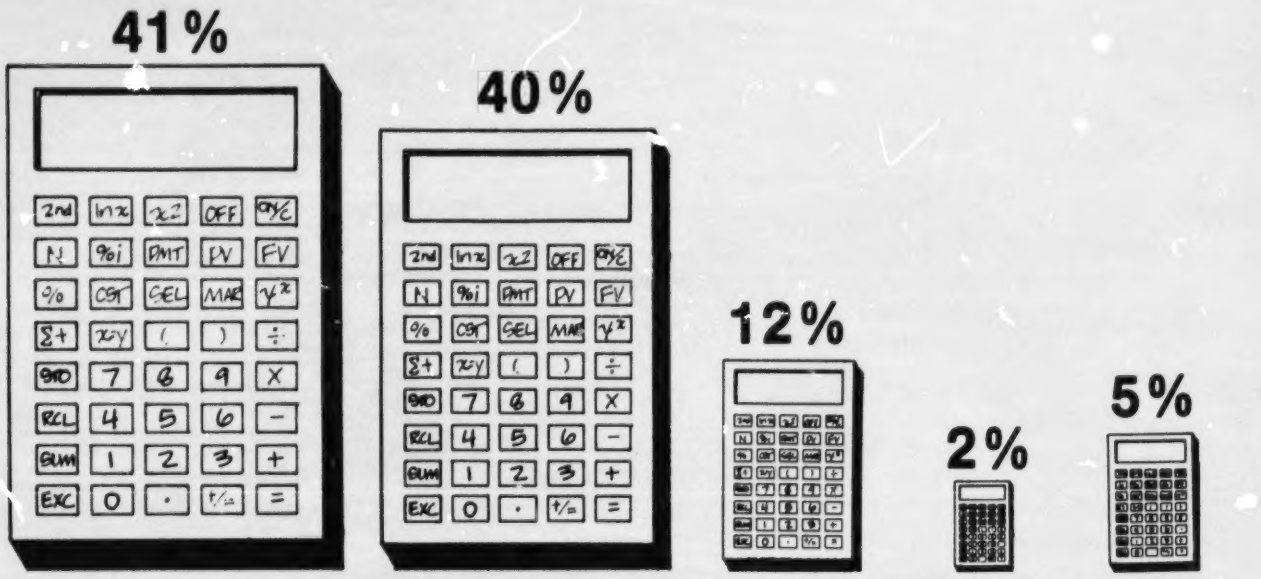
1 See Appendix C -- for a description of survey methodology.

2 Robert Lubar, "Why Unemployment Will Hang High," Fortune, June 14, 1982, p. 118.

3 Ibid; p. 115

Table I

Do you think changes in the workplace will require additional career education?



Source: ITT Educational Services, Inc.

Note: Due to rounding, in some cases the percentages do not add up to 100 percent.

More than three-quarters of the American workforce believe they don't have the skills to find, keep and grow in their jobs. Eighty-one percent said the tremendous technological changes affecting business today will definitely or probably require them to get additional career education, according to a recent national study by Research & Forecasts, Inc. fc. ITT Educational Services, Inc.

Robert Lubar, author of the Fortune article, states, "In 1978 the whole complex, including the four car manufacturers, employed 2.4 to 2.6 million people. By 1985, according to some analysts' estimates, the total will be brought down by 500,000 to 600,000 -- and that assumes a reasonable comeback in auto sales by then[4]."

Despite the decrease in manufacturing jobs, the overall outlook for the workforce in this decade is optimistic. According to the Bureau of Labor Statistics, the labor force is expected to grow from 105 million in 1980, to somewhere between 122 million and 128 million in 1990. Many of these jobs will be in the growing information and service sectors of the economy.

Career Goals Changing

The accelerating shift from manufacturing to service will cause many people to set new career goals. One-out-of-five persons are already considering a career change, according to the Research & Forecasts study (see Table II). Workers who will prosper in this new era will be those with the right skills for the information age -- programmers, systems analysts, word-processor operators and office machine maintenance workers, for example.

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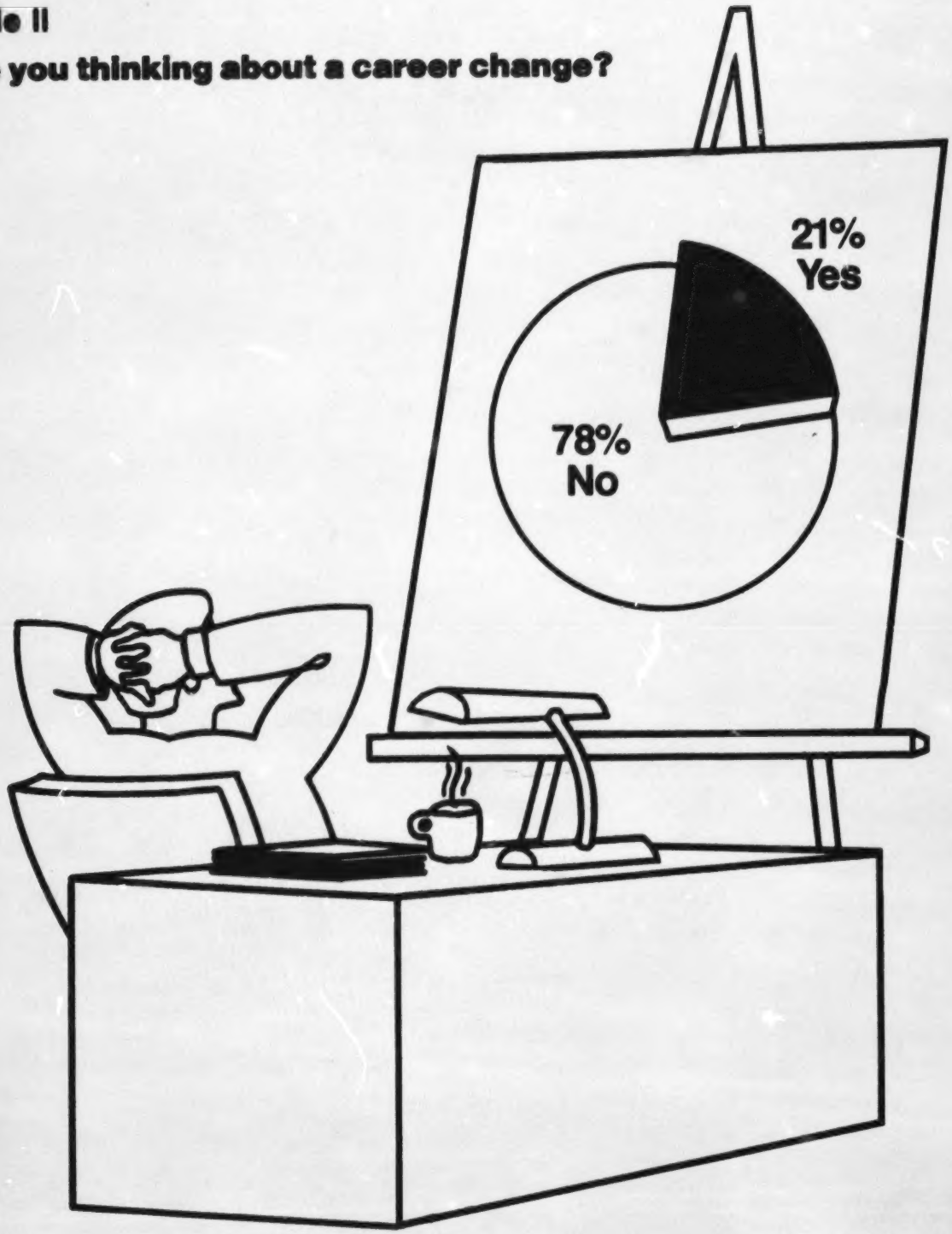
4 Ibid; p. 116.

Table II

Are you thinking about a career change?



Note: Due to rounding, in some cases the percentages do not add up to 100 percent.

Source: ITT Educational Services, Inc.

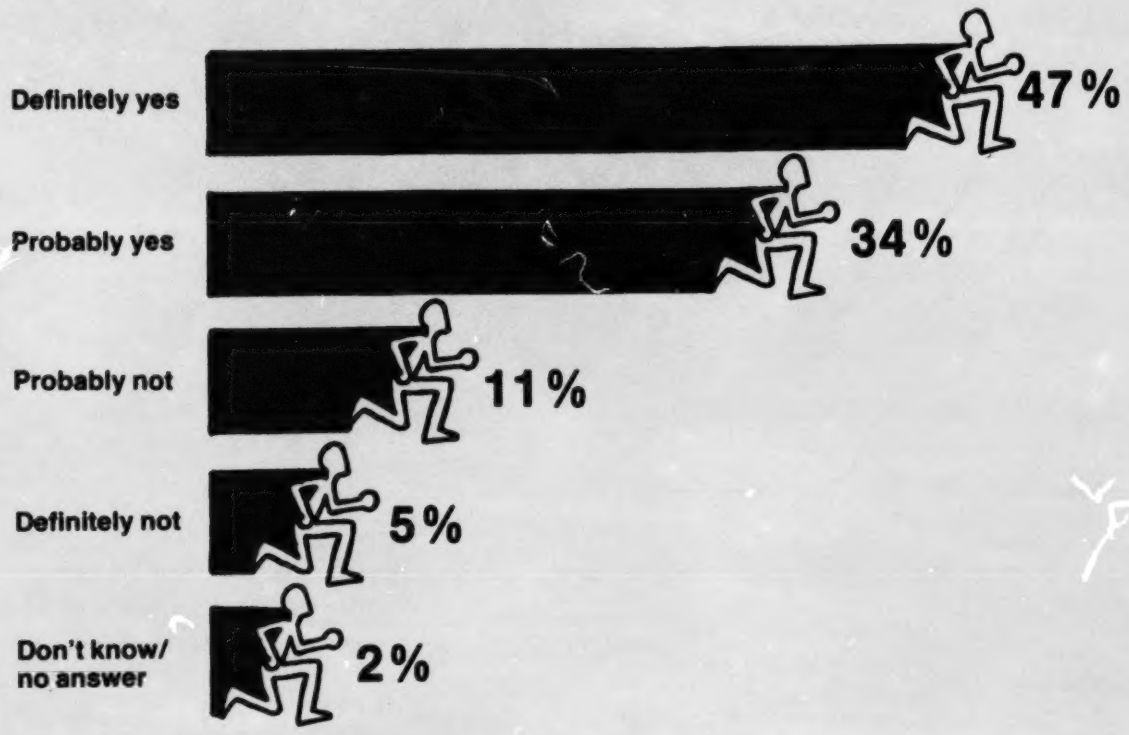
Even with record unemployment, more than one-fifth of the American workers are dissatisfied with their present careers and are seriously considering a new one. A national study by Research & Forecasts, Inc. for ITT Educational Services, Inc. indicated 21 percent of American workers are searching for opportunities that offer more personal growth, satisfaction and job security.

Many workers are already realizing the need for job training or retraining to cope with the technological needs of the marketplace. More than 80 percent of the population believes that an individual with specialized skills has the edge in today's job market, (see Table III).

Among those aged 18 to 24 -- a time when most individuals are making career decisions -- 38 percent felt that an individual with specialized skills would definitely have the edge in the job market, and 39 percent believed specialized skills would probably provide an edge.

Table III

Do you believe an individual with specialized skills has the edge in today's job market?



Source: ITT Educational Services, Inc.

Note: Due to rounding, in some cases the percentages do not add up to 100 percent.

With the prospects of a rapid economy recovery in the U.S. doubtful, a majority of Americans believe those most likely to remain employed are those with specialized skills. In a national study by Reserach & Forecasts, Inc. for ITT Educational Services, Inc., eighty-one percent said an individual with specialized skills probably or definitely had the edge in today's employment market.

Providing training to meet new job demands is an emerging issue. Past training has focused on the young or disadvantaged, with little thought to the needs of displaced workers or those needing to make mid-career changes. It is expected that much of the burden for this retraining will fall upon industry or the individual worker.

Specialized Schools Attractive Option

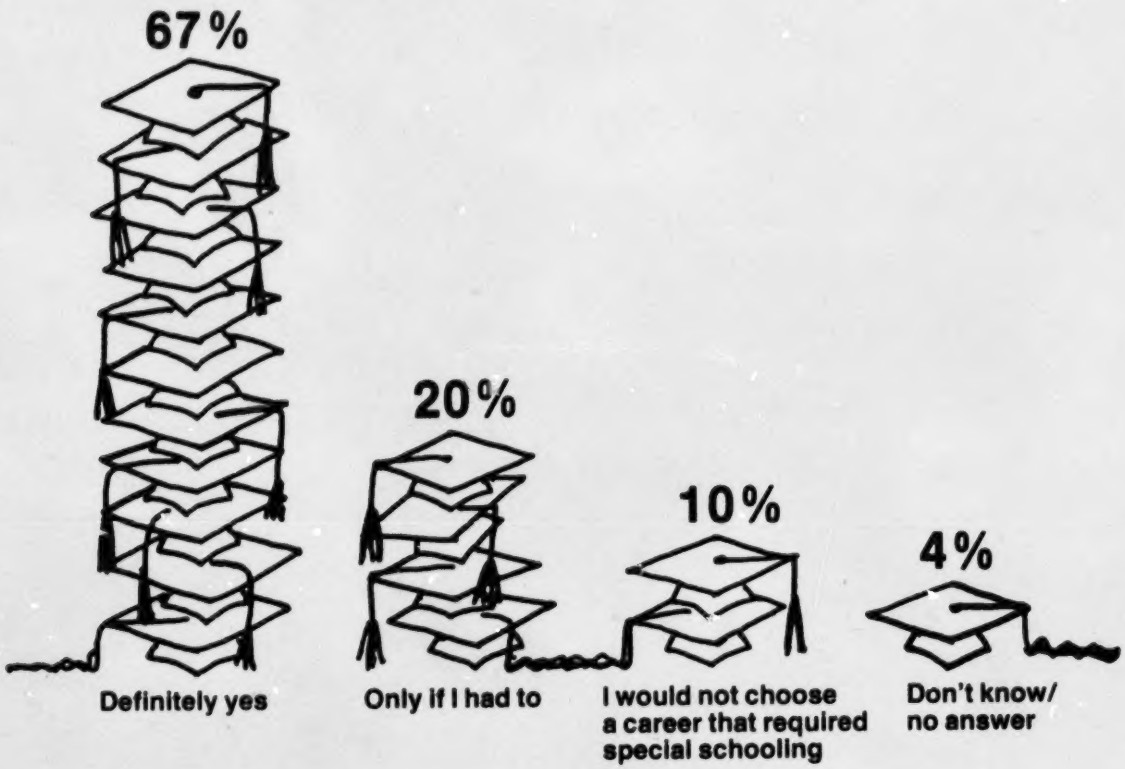
If they had to select a new career that required additional training, 67 percent of the population said they would definitely consider attending a specialized school to receive that training. One in five said they would attend "only if they had to." Only 10 percent said they would not choose a career that required specialized training, (see Table IV).

Congress is now considering several bills that would redirect the government's training efforts by giving the nation's governors and private industry more control over job training programs. Under these plans, private industry councils, labor leaders and educators would have a greater voice in matching job training to local requirements.

Proprietary vocational schools, with their experience in training people for specific job categories and close working relationships with employers to teach the skills that will be most valuable on the job, are expected to be a source of skilled workers. Nearly nine out of ten people (88%) believe specialized training could probably or definitely lead to a better job, (see Table V).

Table IV

If you selected a new career that might require additional training, would you consider attending a specialized school to get that training?



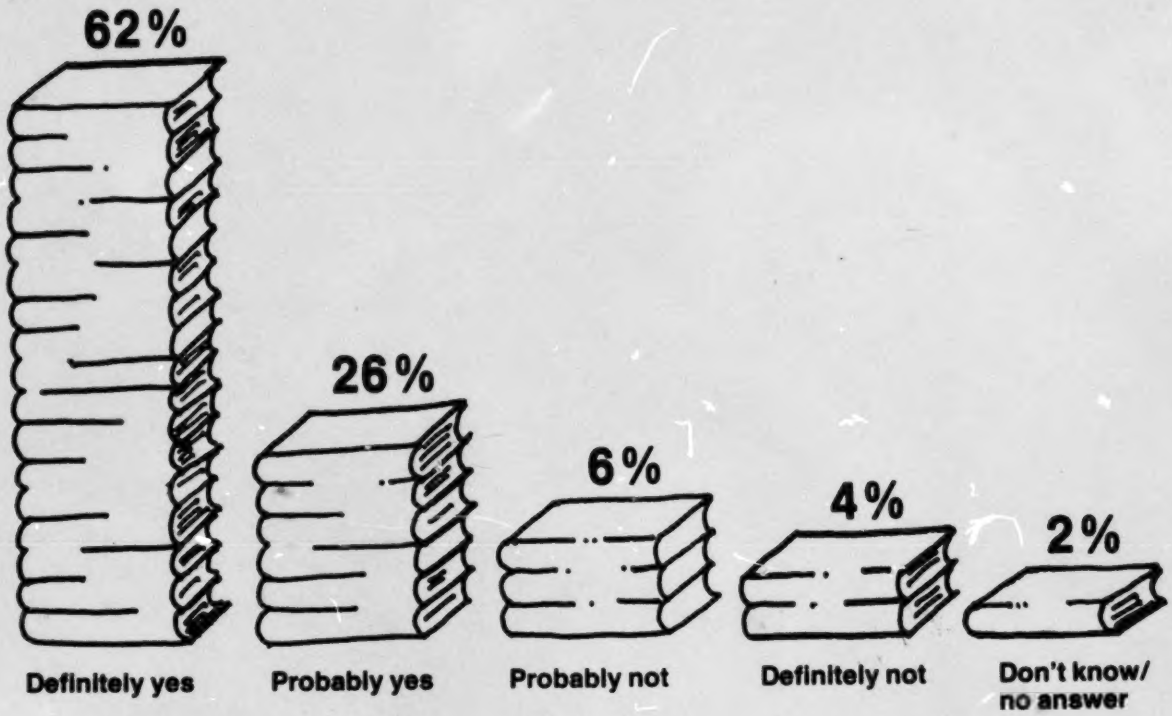
Source: ITT Educational Services, Inc.

Note: Due to rounding, in some cases the percentages do not add up to 100 percent

There was a time when bachelor's degrees from U.S. colleges and universities provided all the training an individual needed for a career. That's no longer true and the American worker knows it. Sixty-seven percent of the U.S. workforce said they would consider returning to school if their future career growth demanded it, according to a national study by Research & Forecasts, Inc. for ITT Educational Services, Inc.

Table V

Do you believe specialized training could get you a better job?



Source: ITT Educational Services, Inc.

Note: Due to rounding, in some cases the percentages do not add up to 100 percent.

In a time of economic uncertainties, the American workforce is confident additional specialized training will help them find better jobs than they now have. Sixty-two percent of those surveyed nationally by Research & Forecasts, Inc. for ITT Educational Services, Inc. said specialized training "definitely" would enable them to find a better job.

Schools Provide Productive Employees

Many firms already rely on these schools as a principal source of trained employees. Among the reasons companies seek graduates of vocational schools is that they are ready to assume full job responsibilities quickly.

"Training can't always be done on the job. We need people who can be immediately productive," said Patricia Portaro, employment recruiter at the Cleveland Clinic, a world-renowned hospital.

The Clinic relies on specialized schools for many of its secretaries. While it can help secretaries develop some of the specialized knowledge they need to work in a medical environment, employees must have the basic skills.

This same theme is echoed by others. William Wruck, supervisor-employment, American Telephone and Telegraph, Long Lines, San Francisco says AT&T has a two-year career path to help its electronics technicians develop specific skills. However, Wruck noted that some people don't do well in this training sequence because they lack the basic electronic training.

Evaluating the success of present employees, he found generally that those who perform the best come from a technical school background or from one of AT&T's sister companies, Western Electric. Some four-year college graduates have also been hired for technical positions, but they tend not to do as well, according to Wruck.

Tony Bowerman, a cost center manager and recruiter of technicans for the Texas Instruments plant in Austin, Texas, agrees with the value of technically trained individuals. He especially looks for graduates from two-year educational programs for his entry level employees.

"We don't have a formal two-year training program for entry level technicians," he says. "We have to find employees who have the basic skills we need already and help the individual develop them further. Schools with two-year technical training programs have been a good employee resource for us."

School Reputation Crucial

Not every specialized school may experience rapid growth from this increased support and attention from businesses and individuals alike.

Businesses are selective, searching for employees at schools with strong records for quality graduates.

Solid reputation also affects which schools individuals choose to attend; it is more important than the cost of attending. Respondents to the Research & Forecasts survey identified several factors of importance, but reputation was the most important. Some 29 percent of those responding said reputation was the number one consideration, with cost at 18 percent, and location at 16 percent, (see Table VI). Placement services, that is assistance with finding a job, was cited as an important factor by eight percent of those surveyed. However, since the primary objective of most specialized school students is to obtain employment, the success of past graduates may be a factor in the school's reputation.

School Accreditation Important

Accreditation is another factor that contributes to a school's reputation. Several professional groups, including the Association of Independent Colleges and Schools (AICS) and the National Association of Trade and Technical Schools (NATTS),evaluate private schools offering occupational education at a post-secondary level.

The accreditation process is similar for both organizations. It includes a visit to the school by a team of specialists in education and the career being taught by the school. Among the elements examined by the NATTS accrediting team are:

- Does the school clearly state its objectives and demonstrate overall ability to meet them?
- Does it have a qualified administrative staff and faculty?
- Does it have fair and proper admissions and enrollment practices in terms of educational benefits to the students?
- Does it provide educationally sound and up-to-date courses and methods of instruction?
- Does it demonstrate satisfactory student progress and success to include acceptance of graduates by employers?
- Is it fair and truthful in all advertising, promotional, and other representations?
- Does it reflect financial business soundness of operation?
- Does it provide and maintain adequate physical facilities, classrooms and laboratories?
- Does it provide student and administrative accounting?[5]

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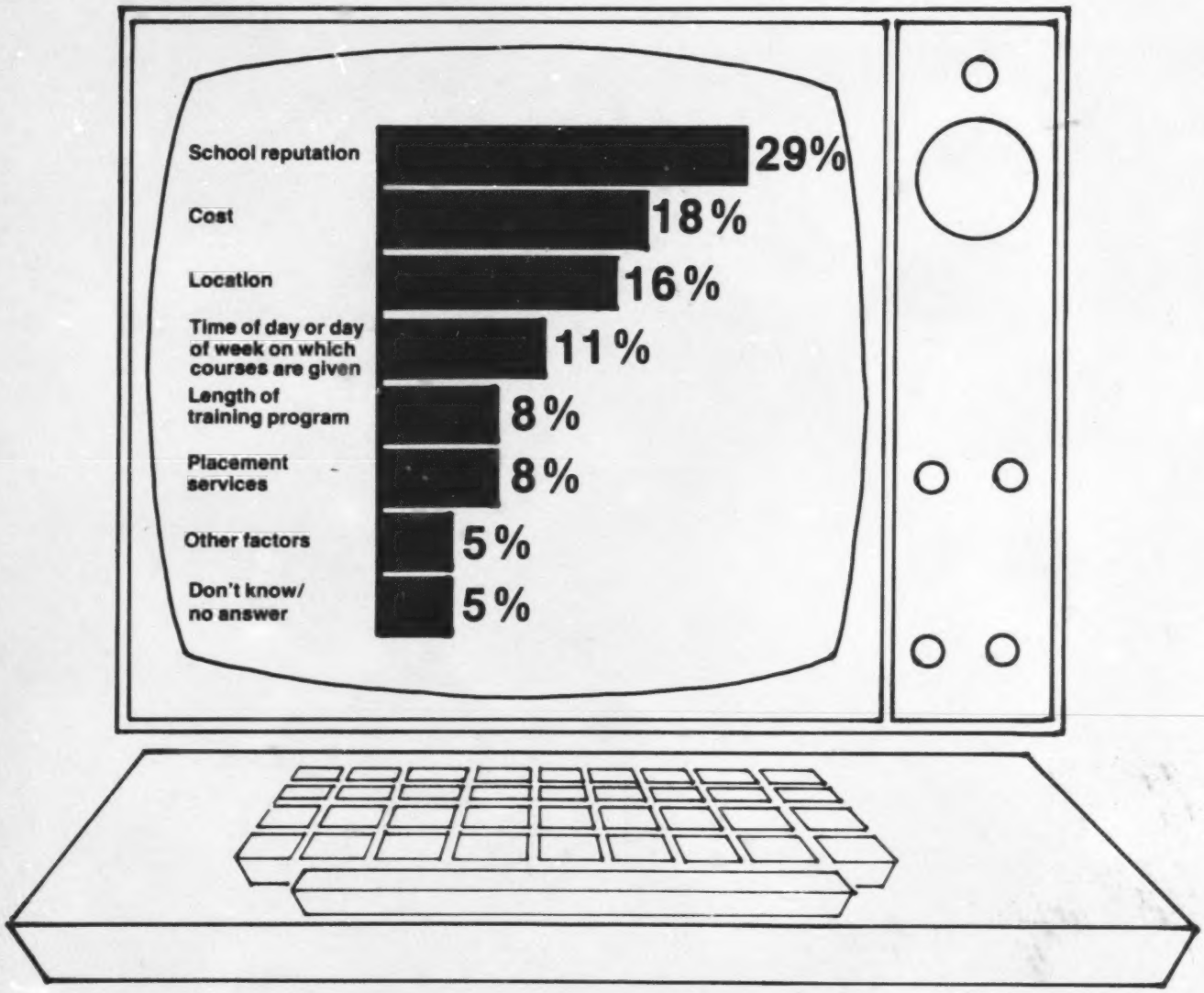
5 Handbook of Trade and Technical Careers and Training; National Association of Trade and Technical Schools

Table VI

What factor would be most important to you in choosing a specialized school?



Source: ITT Educational Services, Inc.

Note: Due to rounding, in some cases the percentages do not add up to 100 percent.

Even with the tight U.S. economy, cost is not the number one consideration of American workers when chosing a school for additional career education. Overall school reputation (29%) is the number one factor, according to a national study by Research & Forecasts, Inc. for ITT Educational Services, Inc. Cost was a distant second factor. Only 18 percent of those polled said cost was the major factor.

Job Placement Success Counts

One of the major determinants of the success and quality of proprietary schools is the number of graduates that find jobs in the occupations for which they were trained. One of the early attempts to determine the number of proprietary graduates working in the occupation for which they were trained came in 1969. A. Harvey Belitsky reported in his book, Private Vocational Schools and Their Students, that 55 percent of the 1966 graduates of proprietary schools were placed in jobs for which they were qualified.[6] The survey of 128 schools may have been misleading, however, because many graduates choose not to seek employment after training because of family commitments, entering the military, or other factors.

A recent study of graduates of private and public post-secondary schools in Ohio paints perhaps a more accurate picture, especially of the benefits of proprietary schools. The study found that slightly more private school graduates were working in jobs directly related to their area of training. The study showed 70.9 percent of the private graduates were in jobs for which they were specifically trained, while 67 percent of the public school graduates were in such positions. Classification of jobs was done according to standard categories in the Dictionary of Occupational Titles.[7]

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6 A. Harvey Belitsky, Private Vocational Schools and Their Students, p. 61.

7 Marcus H. Sandver and Dale Feinauer, A Labor Market Study of Graduates of Private and Public Two-Year Post-Secondary Programs, p. iii.

Research conducted by Wellford Wilms, affiliated with the graduate school of education, University of California, Los Angeles, found in his study of public and proprietary occupational training that graduates of private and public schools had about the same success in the labor market, but proprietary students were more likely to graduate.

Wilms also found that within two and one-third years, 69 percent of the proprietary students had graduated, compared with 46 percent of the public students. Proprietary students also earned slightly more money.

In a 1971 survey of 5,000 former vocational students conducted by the University of Maryland, 81 percent reported that their first job was directly related to their training. Similar statistics were reported in a survey of NATTS accredited schools. For every 100 typical graduates of the schools in the survey, NATTS found the following:

- Sixty-four were placed in jobs directly related to the objectives of the course of study.
- Seven were placed in jobs substantially related to the objectives of their course of study.
- Thirteen were not available for employment.
- Five were traceable and were unsuccessful in obtaining positions.
- Eleven were untraceable.

Cost-Benefit Analysis Favors Vocational Schools

The benefits derived from vocational education are numerous. In two studies of the cost-benefit analysis of vocational education, Bruce F. Davie listed the following individual benefits: (1) additional earnings attributable to vocational education net of taxes; (2) fringe benefits associated with additional earnings; (3) stipends received, if any, while enrolled in a vocational-technical program; (4) value of the option to enter other educational programs in the future; and (5) increased self-esteem benefits. Benefits to society, or welfare gained by society as a result of education were listed as: the gross additional earnings of individuals attributable to vocational education, and the effects of contributing to tax roles instead of being supported by tax dollars.[8]

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8 Warren G. Myer, editor, Vocational Education and the Nation's Economy, "Cost-Benefit Analysis and Cost-Effectiveness Analysis in Education and Vocational Education," J. Robert Warmbrod, p. 144.

A rigorous cost-benefit analysis of vocational education is difficult because of the problems of assigning costs to such factors as psychic benefits and some of the benefits to society. According to Warmbrod, "Economists who have conducted cost-benefit studies of vocational education report that the cost data available are highly inadequate....They found that the available cost data do not readily lend themselves to coherent analysis and that cost data pertaining to vocational education are not kept in a way that makes them accessible for rigorous analytic and evaluative purposes."[9]

However, certain data do seem to indicate that there are cost benefits associated with proprietary education. A study by Jean Wolman concluded that the rate of return on the investment in training was 29 percent. Wolman says this means that a student would have to earn 29 percent annual interest until retirement on the amount of money invested in training in order for him to match the increased salary gained as a result of training.[10]

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9 Ibid; pp. 144-145.

10 Jean M. Wolman. A Comparative Study of Proprietary and Non-Proprietary Vocational Training Programs, p. 113.

Comparisons of training costs for private and public post-secondary schools must also consider tax factors. In the case of public schools, the direct cost to the student may be artificially low because of tax subsidies provided to the school. Proprietary schools do not draw these tax subsidies, and actually contribute to the tax base of the community because they are for-profit institutions.

Another aspect of cost-benefit comparisons of public and private vocational education is foregone income. Proprietary courses often are completed in less time than those offered by public institutions. Therefore, a student can begin earning money sooner.

Consider this example. In 1982 it costs a student $4,200 per year for the two-year program in electronic engineering technology at Chicago's Taylor Business Institute vocational school. That figure includes tuition, fees, books and transportation estimates. It does not include room and board since most students live at home while attending school, a common occurrence with students at proprietary vocational schools.

According to the Wall Street Journal, the cost for tuition alone now at four-year private colleges and universities averages $4,021, up about 13 percent from 1981.[11]

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11 Anne MacKay-Smith, "Campus Crunch, Declining Federal Aid, Soaring Tuitions Test Ingenuity of Colleges," Wall Street Journal, Sept. 29, 1982.

The average starting salary for an ITT Educational Services electronic engineering technician graduate in 1981 was over $14,000.

Using these figures, the cost or gain in dollars a student might expect over a four-year period by attending the vocational school or private four-year college might compare this way:

	Proprietary Vocation Program Two Years		College Program Four Years	
	Expenses	Earnings	Expenses	Earnings
Year 1	$ 4,200	$ -0-	$ 4,021	$ -0-
Year 2	4,200	-0-	4,021	-0-
Year 3		14,000	4,021	-0-
Year 4		14,000	4,021	-0-
Totals	$ 8,400	$28,000	$16,084	-0-
Net Gain (loss)	$19,600		($16,084)	

The vocational student generates a net gain for the four-year period by working in his field during years three and four. The net dollar loss for the four-year college student reaches $35,684, if one considers foregone income. The loss is undoubtably much higher than that when room and board and other incidental expenses are added.

The communities where vocational graduates live and work also benefit through the shorter proprietary vocational program. With students entering the workforce more quickly, these communities can expand their tax bases, helping spread the cost of services.

In Wellford Wilms' study of public and private vocational school students, the author confirmed the cost benefit advantage of proprietary schools over public ones from another perspective. Wilms noted that without tax subsidy, public students would have to meet the entire cost of education. With public teaching costs averaging 35 percent more than proprietary schools, the public students' out-of-pocket costs would be considerably higher. Add to this the loss of income due to the longer education curriculum and he concluded proprietary training is "a better investment for the student where the programs were designed to last a minimum length of time, reducing the student's foregone income.[12]

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[12]Op. Cit., The Effectiveness of Public and Proprietary Occupational Training, p. 180.

Employers Favor Vocational Graduates

Studies that have tracked the employment ratio of vocational students, compared to persons of similar age without such training, have shown the positive benefits of vocational training. The fifth annual report of Project Baseline (a study mandated by Congress and conducted by Northern Arizona University) shows a continuing high employment record of vocational education students who complete the prescribed program compared to the total labor force in similar age groups.

In February 1976, more than a million vocational students from the preceding year were employed and 150,000 were known to be unemployed. The total labor force unemployment rate at that time for the 16-19 year age group was 19.9 percent, while for post-secondary vocational completers it was only 13.5 percent. In the 20-24 year age group the rates were 13.6 percent for the total labor force and 8.2 percent for post-secondary completers.[13]

The benefits of vocational training may have only become more significant since then due to technological development and a slower economy. Fortune reported in June, 1982 that unemployment among individuals 16-19 years old hit 22 percent.[13]

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13 Op. Cit., Myer, "Decision Making Investments in Vocational Education", Charles O. Hopkins, p. 154.

General vs. Specialized Education

There is controversy within educational circles about the benefits of specific, specialized education versus a more general curriculum. The debate is ongoing, and unlikely to be resolved soon. On one side of the fence, supporters of specialized education point to the oversupply of college graduates without specific occupational training who are filling low-level positions. Proponents of general education, however, argue that the purpose of education is to teach people to think and analyze situations. With these skills, they say, an individual can always adapt to a specific work environment.

However, even those who lean toward a more general educational background, such as Wellford Wilms, agree that for certain types of technical, non-professional jobs requiring post-secondary training, proprietary schools are the most suitable, cost-effective choice.

IV. FUTURE TRAINING NEEDS

The success of proprietary vocational schools depends on their ability to provide training and education that meets current market demand.

Much of the training today -- in fields such as computer programming, electronics, or office machine repair -- was largely unheard of 20 years ago.

History undoubtedly will repeat itself. Four out of five persons agree even now that new skills will be needed by workers to meet changing conditions in the workplace, according to a recent survey.

In the next 20 years, proprietary schools will again have to adapt courses to changes in technology and worker roles in the workforce. In some cases they will be on the leading edge of this change, working with employers to teach new skills.

Career Goals Changing

Differing career aspirations are also motivating more people to seek training at specialized schools. More than 1.5 million people were trained in these schools in 1981. Many people no longer view college as the ultimate way to obtain a good job, especially when there is an oversupply of college graduates in many fields. During the last 20 years, the proportion of college educated members of the workforce has doubled, reaching 17.6 percent in 1979 according to government statistics. At the same time there was more demand for service jobs than for basic white collar and administrative skills.

Compounding the problem is the ever-rising cost of college, now exceeding $5,000 per year at some of the nation's major state universities including University of California - Berkley and the University of Massachusetts - Amherst, while sources of financial assistance are declining. The cost of a college education is causing many youths to seek alternate means of preparing to enter the work world.

Demand for jobs is not the only reason young people seek specialized training. Many see vocational schools as a way to get a head start on their careers. The relatively short course lengths for many programs let people start earning money sooner. This trend is growing among students at all levels of academic abililty, including high school valedictorians and others with high grade-point averages.

In Ohio, where the state began in 1978 to award $1,000 annually for four years to the top student in each high school class, 43 valedictorians elected to attend technical schools, according to a Business Week article.[1]

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1 "The Trade-School Jump on Pay and Experience", Business Week, April 7, 1980, p. 99.

Job Options Increase

In addition to starting their careers sooner, another factor cited by students in the article was that vocational school training gave them greater flexibility if they discovered they did not like their chosen career. Noted one valedictorian, who enrolled in technical school to become a computer programmer and had just started a job with NCR Corp., "If I wanted to be a physicist, say, I'd have to spend four to six years in college, and if I found out I didn't enjoy it, I'd have to start all over again."[2]

To many students, that lost time is beginning to look like a bad investment considering the shrinking "pay premium" for college graduates. In 1969, male college graduates entering industry were paid an average of 24 percent more than the work force's average annual earnings. By 1979, the "pay premium" had dropped to 5 percent, according to Richard Freeman, a Harvard University economist and author of The Over-Educated American.

The job outlook for high school students who choose specialized post-secondary training, compared to their classmates who choose college, is also changing attitudes among guidance counselors.

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2 Ibid; p. 99.

Counselors Note Attitude Shifts

A survey of Chicago-area guidance counselors, by ITT Educational Services, Inc., confirmed the national trends. The counselors reported many of their students are choosing careers that offer more job assurance and are often seeking vocational rather than professional occupations. Of 30 counselors questioned in the Chicago area, 72 percent said they recommended post-secondary vocational programs to their graduates. Fifty-eight percent of the counselors said they recommended vocational school more than they used to, reflecting changing economic conditions and needs of the high school students.

Guiding students into meaningful life work is not an easy task. Supply and demand for various job occupations has been compared to a pendulum by Richard Bolles, co-author of the best selling career advice book, What Color Is Your Parachute? As the job demand pendulum swings one way, popular occupations attract increasing numbers of people, resulting in a glut of jobseekers. Once this occurs, many find that particular occupation less attractive and look to other fields. Over time, as fewer people consider what was once an overcrowded field, the pendulum swings back, and there is a shortage of people with the right training and skills for that occupation.

The problem is compounded by an inability to accurately forecast occupational outlook. The time lag between when data is gathered, when it is reported, and when people are able to act, limits the usefulness of the information.

Still, with careful interpretation and understanding of the way the data is compiled, information from various sources can be valuable in giving some indication of the trends in job categories. The major reference for job forecasts is the Bureau of Labor Statistics of the United States Department of Labor biennial publication, The Occupational Outlook Handbook.

Handbook Cites Growth Careers

The 1982 edition of the handbook shows several job classifications, for which training can be obtained in proprietary vocational schools, that are expected to have better than average employment prospects. Among those occupations are:

Automobile Mechanics -- who are expected to be in demand because of the increasing number of vehicles, and the present trend toward keeping autos for a longer time before replacing them.

Computer Operating Personnel -- especially console and peripheral operators who will be needed as computer use expands. Direct data entry systems will reduce the demand for keypunch operators, however.

Computer Service Technicians -- will also benefit from the increasing use of computers. Opportunities are expected to be very good for persons with post-secondary school training in electronics.

Dental Hygienists -- are expected to be in demand because of the growing population, increasing awareness of the importance of regular dental care, and greater numbers of persons with dental insurance coverage.

Engineering and Science Technicians -- who assist with lab work, will benefit from projected increases in the number of engineers and scientists. Prospects appear especially good for graduates of post-secondary school training programs.

Secretaries -- are expected to have excellent job prospects in the years ahead, with good opportunities for part-time and temporary work.

These forecasts are all in established occupational categories where some historical perspective can be applied in predicting future needs. Making accurate occupational forecasts in emerging industries is even riskier, especially when unexpected events alter the premises used in making the predictions.

An example of this is forecasts for technicians needed in energy-related fields. An article in the January, 1979 issue of VocEd attempted to determine the need for training programs in five energy technologies: coal mining, nuclear, petroleum, solar and energy conservation. The article noted the limited number of training programs in most of these fields and made encouraging predictions for the need for technicians.[3]

External forces intervened, however, changing the outlook drastically. The Three-Mile Island nuclear accident and economic conditions in the nuclear industry have brought most new plant construction to a standstill. Energy conservation has also taken a backseat as falling oil prices and oversupply have changed the country's outlook on oil use. These forces, and other economic factors have caused the abandonment of major development of synthetic fuels. Likewise, alternative sources of power, such as solar energy, are no longer receiving the interest they once did.

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[3] John R. Doggette and Mayme R. Crowell, "Technicians: Where Do We Stand?", Vocational Education, January, 1979, pp. 31-34.

Yet, whatever growth occupations emerge, the same technology and market forces that make them viable will enable proprietary vocational schools to meet the training requirements. For example, computer-assisted learning modules, satellite teleconferencing and audio/video programming will suggest new curriculums while enabling vocational schools to develop and disseminate training packages to mass audiences quickly and efficiently.

This market sensitivity combined with the ability to use resources effectively should continue to make proprietary vocational schools a major link between people and business.

V. SUMMARY

Changes in the workplace in America during the next five years indicate an increasingly important role for proprietary vocational schools. Already, 81 percent of the population believes that additional career education will be required to meet the demands for new occupational skills.

Enrollment in proprietary schools has grown by more than 20 percent in each of the last two years, now totalling about 1.5 million. Future growth seems likely. Much of this growth will come from people reacting to Labor Department projections that the bulk of new jobs in the 1980's will require specialized training, but only 20 percent will require college.

Others will enroll because of the increasing cost of college, personal decisions to find the quickest, most effective way to enter the job market without foregoing valuable years of income, or because of demands for retraining to update outmoded skills. A recent survey indicated that one out of five Americans are considering a career change.

Individuals completing proprietary vocational programs will find they have a high likelihood of success in their chosen field. Employment of graduates in occupations for which they were specifically trained, or in training-related jobs, ranges from 75 to 98 percent, according to industry figures.

Since it is likely business will continue to require employees with strong technical skills throughout the 1980's, more proprietary vocational schools will certainly open to help provide the training the workforce will need.

The many proprietary vocational school alternatives will require prospective students to consider their target schools carefully. Cost will continue to be a major factor in choosing a school, but increasingly school reputation, diversity of curricula and the availability of services including employment assistance will be the decisive factor. Already the American workforce believes overall proprietary school reputation is the most important consideration.

To keep up with changing business/employment demands, proprietary schools remain in close contact with employers to determine needed skills and adapt courses accordingly. Many are also planning to use new delivery systems, such as interactive computers and satellite-relayed television signals, to make courses more readily available.

Through this market sensitivity, educational skill and the ability to use available resources effectively, proprietary vocational schools should continue to serve both as a resource to individuals for skilled, job-related training and a resource to business for productive employees.

APPENDIX A

History of Proprietary Vocational Education

Vocational or trade schools have existed in America since colonial days. The March 20, 1728 edition of the Boston Gazette carried an advertisement from Caleb Philipps offering a home study course for a form of shorthand he had devised.

Other private teachers in the early 18th century offered their services in the art of navigation, surveying, practical mathematics and certain business skills. These proprietor-masters, often conducting classes in their own homes, provided practical education throughout the 18th century.

The next major step in the development of vocational education came during the early part of the 19th century, with the establishment of mechanics' institutes and the Lyceum Movement. The Gardner Lyceum in Maine, which opened in 1823, is said to be the first incorporated school devoted entirely to practical subjects. It offered instruction in mathematics, navigation, carpentry, civil architecture and chemistry, in addition to farming.

Schools such as this provided most of the vocational education in America until the late 1800's. Government recognized the need for vocational education in 1862 with the enactment of the Morrill Land Grant College Act. It specified that "mechanical arts" were to be taught at the college level, along with agriculture. While officially recognizing the concept of vocational education, the Morrill Act did little to meet the needs of many average citizens who could not attend college. These needs continued to be met by the private school industry.

Teaching Office Skills

With the development of the first key shift typewriter in 1878, proprietary schools capitalized on the need for people with typing and shorthand skills. Learning these skills opened office doors for many people and led to more schools offering office curricula. There were reportedly 400 independent business schools by 1888.

The promotion of vocational training in the public school system finally received a substantial boost in 1917, with the enactment of the Smith-Hughes Vocational Training Act. This provided federal and state funds for vocational education.

As the requirements of the workplace changed through the 20th century, proprietary schools grew and added courses to prepare workers for their roles in a fast-changing society. Many of the changes in the workplace made it more difficult for on-the-job training or apprenticeships to prepare workers. Thus, private specialized schools became a more important factor in preparing people for a productive life.

Post-War Impact

Returning World War II veterans increased demand for vocational training during the late 1940's and early 1950's.

Other societal forces -- in addition to technological change -- have affected proprietary schools over the last 20 years. The growing number of community colleges was seen by some educators as a way to train people for specific job skills. However, the mixture of general courses and practical training at these institutions may not appeal to many students who want to learn a skill in the shortest possible time.

Recent Developments

The recent history of proprietary schools has also been marked by controversy about supposedly questionable business practices among a small number of schools. The Federal Trade Commission has examined these charges and attempted to formulate regulations covering placement claims, refunds of unused tuition when courses are dropped, and "cooling off" periods eliminating contractual obligations within a certain number of days.

The FTC held its first hearings on the matter in 1974. An early version of the proposed Trade Regulation Rule was ordered rewritten by the Federal District Court, and at this writing (mid-1982) there is still no final regulation.

During this same period, vocational schools have taken measures to work together for their common good. Several organizations provide information to students about selecting schools, career opportunities, and offer accreditation for proprietary schools. These industry groups include the Association of Independent Colleges and Schools, for private business schools, the National Association of Trade and Technical Schools, the National Home Study Council, the Cosmetology Accrediting Commission, and the National Association of Health Career Schools.

APPENDIX B

Guide to Skill Training Course Lengths

Skill	Term (Weeks)
Acting	150
Advertising Art	52-136
Air Conditioning	12-73
Airline Personnel Training	11-34
Appliance Repair	12-72
Architectural Engineering Technology	60-100
Art	16-192
Automotive Mechanics	14-50
Aviation Mechanics	33-84
Barbering	32-52
Blueprint Reading	3-40
Brickmasonry	102
Broadcasting	10-92
Building Maintenance	52-60
Camera Service & Repair	16-50
Carpentry	102
Coin Operated Machine Repair	26
Construction Technology	32-104
Culinary Arts	13-72

Skill	Term
Dance Instructor	64
Data Processing	21-100
Dental Assisting	12-50
Dental Laboratory Technician	26-72
Diesel Mechanics	10-38
Dietetics	13-52
Diving	8-15
Dog Grooming	4-8
Drafting	17-88
Dress Making & Design	3-88
Electricity	21-104
Electronics	24-108
Emergency Medical Technician	28-34
Engraving	12
Estimating, Building	10
Fashion Design	33-96
Fashion Illustration	52-136
Fashion Merchandising	5-74
Food Management	52
Gunsmithing	69
Heating	12-24
Heavy Equipment Mechanics	6

Skill	Term
Heavy Equipment Operator	3-10
Horsemanship	11-38
Hotel-Motel Training	15-16
Illustration, Design	136
Industrial Management	72
Inhalation Therapy Technician	37-52
Instrumentation	78-80
Interior Design	64-108
Jewelry Design, Diamond Cutting	12-40
Legal Secretarial/Asst.	24-52
Loss Prevention/Security	16
Machine Shop	14-102
Mechanical Engineering Technology	64-108
Medical Assistant	12-43
Medical Secretary	26-43
Medical Technician	48-72
Metallurgical Technology	77
Motion Pictures	12-150
Motorcycle Mechanics	12-33
Nurse's Aide	10-49
Office Machine Repair	15-50
Operating Room Technician	32-42

Skill	Term
Optometric Assisting	24
PBX Switchboard	12
Painting & Decorating	102
Photography	12-150
Pilot, Commercial	12-69
Plumbing	26
Printing	24-72
Real Estate Brokerage	6
Sanitation	4-10
Surveying	72
Tailoring	5-60
Tool & Die	28-108
Travel	12-34
Truck Driving	1-8
Upholstery	10-50
Veterinarian Assisting	28
Vocational Nursing	4
Watchmaking & Repairing	52
Water & Wastewater Technology	36-52
Welding	2-72
X-Ray	100

Source: National Association of Trade and Technical Schools.

APPENDIX C

Primary Research Methodology
for
America At Work:
The Evolving Role of Proprietary Vocational Education

Sample Selection

The population from which our sample was drawn includes all Americans aged 18 and older. A total of 1010 interviews were completed.

Respondents were reached by telephone from a sample of random digit numbers provided by Survey Sampling, Incorporated, of Westport, Connecticut. Random digit dialing is the most widely used sampling technique in the United States. This method provides a statistically efficient way of obtaining representative samples of the general public at reasonable cost.

Data Collection

Approximately 30 members of the Research & Forecasts data collection staff conducted interviews of the general public from June 5 - June 13, 1982. Interviews took place on weeknights between the hours of 6 p.m. and 10 p.m., and on weekends from 10 a.m. to 11:30 p.m.

In order to ensure that the respondents represented a random sample of United States residents, every effort was made to reach and complete an interview with a qualified respondent at each number. Interviewers made at least three call-backs to each telephone number that had neither yielded a complete interview nor been disqualified.

Overall, interviewers achieved a 72% response rate, comparable to the rates reported by other professionals in the field of survey research. A complete breakdown of the response rate follows:

COMPLETED INTERVIEWS	1010	(72%)
NON-RESPONSE	397	(28%)
Refusals[1]	368	
Terminated Interviews	11	
Call-back	18	
TOTAL POTENTIAL RESPONDENTS	1407	
EXCLUDED FROM SAMPLE	929	
Disconnected	368	
Never Answered[2]	278	
Always Busy[2]	28	
Business/Government	203	
Deaf/Language Problem	39	
Not Qualified[3]	13	
TOTAL NUMBER OF CALLS	2336	

* See notes next page.

Weighting

As is common in survey research, results were weighted to improve generalization of sample results to the population as a whole. Accordingly, results were adjusted to account for sample variations in sex, race, age and education.

The survey results can be generalized to the population with a margin of error of no more than three percentage points.

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1 No answers, busy signals or call-backs were classified as nonresponses if the phone was answered at some point but the interview was never completed.

2 "No answers" and busy signals that remained unanswered or busy for four consecutive attempts were assumed to be phone booths, problem lines, etc. and were eliminated from the respective categories.

3 Those who were not qualified to be interviewed (too young, etc.) were eliminated from the sample.

APPENDIX D

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